

Frequently Asked Questions

CHA Family Self-Sufficiency (FSS) and Homeownership Program

What exactly is the Family Self-Sufficiency Program? The Family Self-Sufficiency (FSS) program is a special opportunity offered to Low-Income Public Housing residents (LIPH) and Housing Choice Voucher Program participants (HCVP), to help eligible individuals acquire the skills and experience they need to obtain employment that earns income and offers them a unique savings opportunity as their earnings increase. FSS Program participants work with CHA staff in obtaining both public and private resources that are needed to become free of Temporary Assistance for Needy Families (TANF) and other types of governmental assistance. The program features goal setting, mentoring and financial incentives to empower families to make positive life changes.

How the Program Works: Participation in FSS is voluntary. As a part of the FSS Program, Participants enter into a **five-year contract** that identifies their educational, personal and professional goals. The FSS Coordinator then assists the head of household to develop a plan of action that outlines specific activities and services needed to achieve their goals. Services include education, job training, social services, business development, credit counseling, legal assistance, job placement and self-help workshops.

Throughout the five-year contract, the FSS Coordinator monitors the Participant's progress and helps him or her achieve the next level of self-sufficiency. Usually, as Participants reach their goals, their income increases, resulting in an increase in their portion of the rent. When this occurs, an amount equal to the increase in the family's portion of the rent is set aside in a savings account for the Participant. When the FSS contract is successfully completed, the Participant receives all of the money in the account plus interest. FSS graduates have achieved such goals as obtaining high school diplomas, graduating from college, establishing themselves in rewarding careers, purchasing homes, starting their own businesses and much more.

Is this the CHA Homeownership Program? No, the Family Self-Sufficiency (FSS) Program and the Homeownership Program are two separate programs. However, joining the FSS program with CHA is a prerequisite for joining the Homeownership program. The FSS Program can help you prepare financially for homeownership and allows you to build savings in your FSS Savings Account to use toward a down payment. The Homeownership Program helps you pay the mortgage once you become a homeowner.

How do I qualify for the CHA Homeownership Program? Minimum Eligibility Requirements are as follows:

The CHA must first determine that a family satisfies all of the following requirements at commencement of homeownership assistance:

- You must be a current Housing Choice Voucher Program or Low Income Public Housing participant in good standing with the CHA.
- You are currently employed full time, and have maintained stable and consistent employment for at least 1 year. Or, you are an elderly or disabled person.

- You must have a household income of \$14,500 per year earned from employment or, is an elderly/disabled family; the family satisfies the employment requirements.
- You do not currently own a home.
- You are willing to save enough money to put toward a 1% down payment on the new home.
- The family is enrolled in the CHA's Family Self Sufficiency Program or is willing to enroll.
- The family is willing to complete pre-purchase counseling and a homebuyer education class and the family is willing to attend post purchase counseling and/or workshops.
- The family has not lost a home because of foreclosure in the last three years.
- The family has not defaulted on a mortgage securing debt to purchase a home under the homeownership option, and no family member has a present ownership interest in a residence **at the commencement of homeownership assistance for the purchase of any.**
-

Who is eligible to join the FSS Program? In order to participate in the FSS Program, you will need to be the head of household with a CHA Housing Choice Voucher (also known as "Section 8"), or be a CHA Low Income Public Housing (LIPH) resident, a tenant in good standing as determined by CHA, and willing to find suitable employment within the five-year program time frame.

What types of services are coordinated through the FSS program? Childcare, transportation, education, job training, employment counseling, financial literacy, substance/alcohol abuse treatment, and homeownership counseling. Typically, services are not provided by the CHA, but connected to organizations and service providers in the community.

Am I eligible to join the program if I'm not working? Yes, those who are not currently employed are allowed – and encouraged – to join the program. However, in order to earn escrow, **you must be willing to seek and maintain suitable employment since being suitably employed is one of the requirements to graduate successfully and receive FSS Savings Account funds.**

What are the graduation requirements? In order to graduate and receive your FSS Savings Account balance from the program, you will need to (1) meet regularly with your FSS Coordinator to complete your goals, (2) be suitably employed at the time of graduation, (3) have all household members off cash welfare assistance for 12 consecutive months prior to graduation, (4) be in compliance with your housing lease at the time of graduation, and (5) must not owe a bad debt to the Chattanooga Housing Authority or Landlord.

What is considered suitable employment? Self-employment, business and/or trade (independent contract, business owner, etc.), seasonal, part-time and/or full-time employment. You will need to provide employment and self-employment documentation to verify you are suitably employed. Your housing provider will make the final determination as to whether this requirement has been fulfilled.

What if my rent decreases or I'm unable to increase my income at work? If your earned income decreases or never increases throughout the program, you will not receive any deposits into your FSS Savings Account. You can, however, still benefit from the support you receive from financial coaching. Your financial coach can help you identify other savings opportunities and more.

What if my rent increases for other reasons? Your rent may increase because the landlord raises the rent, or because of changes in other income like SSI, SSDI, child support, family contribution or unemployment. These raises in rent will not lead to more savings in your FSS Savings Account.

Deposits into the FSS Savings Account only occur when your rent increases due to an increase in income from employment that is reported to your housing provider.

What if I'm not working, but someone else in my household is? Any increase in earned income from anyone in your household contributes to your FSS Savings Account. But remember, you as the head of household and participant in the program must be suitably employed to graduate and receive the funds in your FSS Savings Account.

What can I use the FSS Savings Account funds for? During the program, you can make an interim withdrawal up to 25% of the total amount deposited into your FSS Savings Account to help you build credit, pay down debt, enroll in job training/education, purchase a home, develop or expand a small business, and purchase or repair a car. You cannot use the account for rent. **To qualify for a withdrawal, you must be in the program for at least 12 months.** All requests must be submitted in writing and approved by the HCV Program Director. The FSS Coordinator will work with you to facilitate your request and provide further instruction. Upon graduation, you will receive the remaining amount of money from your FSS Savings Account and there are no restrictions on how it may be used.

Does the savings account gain interest? Yes, the FSS Savings Account will gain a small amount of interest during your participation in the program.

Can I add to the FSS Savings Account? No. You cannot make additional contributions to the account. The only way to add to your FSS Savings Account is to increase your earned income. You can work with your financial coach to open a savings account at a local bank or credit union to build up your own personal savings.

How are my escrow savings calculated? Example: if a family's total household earnings from work were \$600 per month when it began the FSS program, and the following year increased to \$1,000 per month (without any offsetting loss of unearned income), its required contribution to rent and utilities would increase by \$120 per month (30 percent of the \$400 increase in income). The housing provider would deposit \$120 per month in the family's FSS escrow account. Because the increase in earnings determines the amount of the escrow deposit, it is particularly advantageous to families to enroll in FSS when their earnings are lower than they think they can achieve over time.

Generally there is no limit to the amount of savings a family may accumulate in the escrow account however; families whose income increases to more than 80 percent of their area median income level for their household size do not accrue any escrow savings.

Do I have to give up my voucher if I participate in the FSS program? No, being part of the FSS Program will not affect your ability to stay in subsidized housing. At the end of the program, some people buy a home or earn enough money so that they no longer need housing assistance. However, that is not a requirement of the program.

What happens if I income out of housing and no longer qualify for housing subsidy? If your income increases so that you no longer need a Section 8 voucher, or your income exceeds the maximum income limit as identified by the CHA, you will automatically graduate and receive the funds in your FSS Savings Account, if you are participant in good standing.

What if I don't complete my goals during my five-year contract? You will be working with the FSS Coordinator throughout the program to create and modify goals as your interests and

circumstances change. However, if you need more time to complete the program, you can request an extension of up to two years for “good cause”, depending on the circumstances and upon final approval by the Chattanooga Housing Authority. For example, if you have unexpected health issues that prevent you from working, you can request an extension.

What happens if I don’t complete the program? Families can drop out of the program at any time without risking their continued receipt of rental assistance. Similarly, families are not at risk of losing their homes or rental subsidies if they do not comply with or succeed in the FSS program. **If you do not complete the graduation requirements or if your FSS Contract is terminated and/or fraud is committed by the participant, your FSS Savings Account will be closed and the money in the account will be returned to the Chattanooga Housing Authority.**

Can I be terminated from the FSS Program? Yes. Any participant terminated for cause from the FSS program will not be allowed to participate in the FSS Program at the CHA in the future.

By signing below I am confirming that I have read and understand the above information:

Participant printed name: _____

Participant signature: _____

Date: _____